

Recycling Electronics and Asset Disposition (READ) Services

An EPA GWAC



What is a GWAC?

A Government Wide Acquisition Contract is defined as

“a task order contract for IT services.”

- Rooted in the Clinger-Cohen Act & the Federal Acquisition Streamlining Act
- Contracts established by one agency for Government-wide use
- Operated by an Executive Agency designated by the OMB



FAR Definition of GWAC

- “Government-wide Acquisition Contract” is a task order contract for information technology supplies or services by one Agency for government-wide use that is operated by an Executive Agent designated by the Office of Management and Budget (OMB) pursuant to Section 511(e) of the Clinger-Cohen Act, 40 U.S.C. 1412
- The Economy Act does not apply to GWACs.



OMB GWAC Authority

- EPA responsibilities include:
 - conduct contract level competition;
 - issue task order awards through fair opportunity procedures;
 - assist customer agencies with task order placement and administration;
 - provide reporting information to OMB.



READ Services include:

- Recycling obsolete equipment;
- Logistical assistance for equipment pick-up or equipment redeployment;
- Reclamation of re-useable electronic items;
- Data security – safe disposal of sensitive or classified information;
- Reporting functions – real-time on-line audit trail of electronic component's final destination; and
- Share-in-Savings techniques to offset the recycling costs.



EPA READ Contractors:

- Supplychain Services Inc. (SSI), Lombard, IL.;
- Molam International, Marietta, GA;
- Asset Recovery Corp, St. Paul MN;
- Liquidity Services Inc. (LSI), Washington DC;
- Hesstech, LLC, Edison, NJ;
- HOBI International, Battavia, IL;
- Global investment Recovery (GIR), Tampa FL.

Please see www.epa.gov/oam/read for additional facility locations



READ Contracts

- 5-year Period of Performance (thru 12/09)
- Fully-competed Multiple Award, Fixed Rate - Indefinite Delivery/Indefinite Quantity (FR-IDIQ) contracts
- Flexible Statement of Objectives (SOO)
- Performance Based Task Orders
- Complete Small Business Set Aside
- Share-in-Savings Opportunities



Current Federal Disposition Practices

- Almost all agencies follow the Federal Property Regulation (FPMR) procedures for electronic asset disposition.
- GSA disposes of excess electronic property through either Federal donation, E.O. 12999 (Computers for Learning), public auction, or a schedule scrap contractor.
- A few Federal facilities use UNICOR for recycling electronics.
- Most agencies have no record of their property's final destination.



Benefits of Using READ Services

- Reduce potential liabilities associated with improper disposal by having an audit trail of equipment's final destination;
- Meet end-of-life goals established under E.O. 13101, "Greening the Government";
- Promote improved end-of-life (EOL) management practices throughout Federal sector by encouraging an infrastructure for re-use and recycling of electronics;
- Meet Federal Electronic Challenge (FEC) goals for proper ESM and end-of-life management;
- Reduce potential hazards associated with improper e-waste disposal.



Why use READ?



Current Improper Practices



Current Improper Practices (cont.)



6:00 PM News Factor



Typical Federal Conference Room



How much equipment is out there?

- With 2M Federal employees and an average PC life cycle of 3-years, EPA estimates that the Federal sector disposes of approx 10K PCs per week.
- EPA estimates that in 2001, 2.2 million tons of consumer electronics entered the municipal waste stream:
 - This included PCs, TVs, video and audio products, telephones, faxes, printers and modems.
- The National Safety Council projects that nearly 250 million computers will become obsolete in the next 5 years.
- By 2005, Americans will be discarding about 130 million cell phones per year.
- E-waste currently makes up about 2% of the municipal waste stream and this is projected to increase.



What about Recycling?

- Recycling makes a big difference!
- Currently, only between 11% and 14% of all discarded electronics are being recycled.

Federal Agencies can make a difference in ensuring that environmentally sound recycling is available and actually happens.



E-Waste Contents

- Valuable resources that could be reused (e.g., various metals, circuits, wiring).
- Materials that might be considered toxic or hazardous under RCRA.
- Materials for which we don't know the environmental implications.

*These materials don't pose a problem during normal use and operation. However, if disposed of in a landfill, incinerated or improperly recycled, they may be released into the environment and cause environmental or human health harm.

*OECD Report, Feb 18, 2003



Substances of Concern

■ According to the Feb 2003 OECD report, the following substances of concern may be present in electronic equipment:

- Lead – in CRT monitors and circuit boards;
- Mercury – in flat panel displays and some older switches;
- Cadmium – small amount in plated contacts and switches. Laptop computers often contain Ni-Cd batteries;
- Chlorine and/or Bromine – may be present in flame retardants in the plastic printed circuit boards and cases. There is also chlorine in PVC insulation of wires and cables;
- Beryllium – for conductivity in the motherboard





Liability

Is there potential liability with
improper electronics
management?

YES



CERCLA RCRA Civil State Regulations

Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund, addresses abandoned and closed hazardous waste sites; uses administrative orders that requires one or more parties to conduct the cleanup; holds those responsible for the release of hazardous waste liable for the cleanup costs and consideration for affected parties; and establishes a fund for cleanup when responsible parties can not be identified.

A party can not be released from CERCLA liability – not even via RCRA.

Full text of CERCLA:

How a generator could become liable for cleanup costs

- If a generator sends electronics to a recycler that releases toxins and then goes out of business, anyone who sent material to the recycler could be liable for cleanup costs, unless proper due diligence was performed.
- There is always the possibility of liability if a recycler mismanages material and has a release of toxic materials.
- If a facility disposes of, or arranges for disposal of, electronics in a landfill or other disposal site, then there is the risk of CERCLA, RCRA, Civil or State liability.



RCRA

Resource Conservation and Recovery Act

- Provides “cradle to grave” hazardous waste management authority;
- Includes generation, treatment, storage and disposal of hazardous waste;
- Regulates active facilities;
- EPA ID numbers are issued to facilities that handle waste; it is not a certification of their work
- EPA info on RCRA
 - <http://www.epa.gov/epaoswer/osw/>
- Full text of RCRA:
<http://www4.law.cornell.edu/uscode/42/ch82.html>



RCRA Liability

- Liability applies to the owner/operator/handler responsible in the event of a release.
- An EPA RCRA identification number is not an assurance of good environmental practice
 - Allows for monitoring the volume of waste generated;
 - Prevents registered generators from dealing with non-registered parties; and
 - It is not a certification of responsible environmental management approved by the EPA.



RCRA Liability

- Generally, a facility that disposes of over 220 lbs. of hazardous waste a month becomes a small quantity generator.
 - This is about 8 CRT containing monitors.
 - This weight is the total weight of the hazardous electronic equipment, not just the hazardous component.
- Local hazardous waste rules may be more stringent than federal rules.
- Enforcement may be by:
 - State or local agency
 - EPA
 - Citizen suit provisions of RCRA



Liability Issues with regard to the sale of electronics

- Generally, selling or donating a useful product releases the seller from liability.
- However, if usable products are sold with unusable materials this could be considered arranging for disposal.
- If the buyer improperly manages the unusable material there is potential for the seller to be liable.
- Proper and documented due diligence is the key to preventing liability.



Management of Sensitive Information

- Regulatory requirements are in place that mandate the protection of confidential and privileged information:
 - Financial Services Modernization Act of 1999 (Gramm-Leach-Bliley Act) imposes requirements on the broad definition of financial institutions <http://www.ftc.gov/privacy/glbact/>;
 - Medical Privacy Regulations (HIPAA) provides for protection of medical records and personal health information;
 - General Privacy Act requirements;
 - Both criminal and civil penalties can apply
- Sensitive information
 - Beware of what information may be on disk drives or removable media;
 - If unable to verify the sensitivity of the information contained on the media, do not release it. Seek advice from the material's originator



Irresponsible Handling of Electronic Equipment

- In most states, the waste generator can be held responsible if waste is improperly disposed or illegally dumped.
- These laws have been used to stop dumping or recover cleanup costs as shown in the following example.



Example: A Sham Recycler Abandons Electronic Waste



- In Minnesota, a 'recycler' collected electronic waste from schools, businesses, and not-for-profits
- The 'recycler' retrieved components of value and abandoned low value materials in a rented warehouse.



Example: A Sham Recycler Abandons Electronic Waste



- Many groups paid the recycler thinking that they would properly recycle the material.
- Other groups had donated the material to a third party that sent the equipment to the 'recycler' for processing.
- No one expected to ever hear about the equipment again.



Example: A Sham Recycler Abandons Electronic Waste

- There was a judgment against the recycler: clean it up in five months or receive 90 days in jail.
- Because the landlord was losing rent, they took it upon themselves to clean up the waste.
- To recover the cleanup costs, potentially over \$100,000; the landlord sued the waste generators.
- Since the recycler abandoned the material and stopped paying rent for over a year, the landlord sued the generators, not the recycler, to recover lost rent. The basis was because the generators did not conduct due diligence on the recycler.

A Federal Enforcement Example

- In 2000, the Department of Health and Human Services (DHHS) in Boston was caught by state regulators placing obsolete electronic equipment in dumpsters for disposal.
- This is a violation of Massachusetts state law and RCRA
 - Massachusetts has a landfill ban for CRTs
- DHHS attempted to dispose of over 250 lbs. of potential hazardous waste



A Federal Enforcement Example

- EPA was able to issue a Notice of Violation (NOV) and impounded the dumpster the same day.
 - The potential maximum fine for this type of violation was \$27,500 per violation
- EPA's NOV required DHHS to remove their waste from the dumpster and manage it correctly.
- DHHS sent the material to a local recycler, conducted due diligence, and no further action was taken by EPA.



READ Accomplishments

- Surveyed over 30 Government entities who demonstrated an interest in using READ Services;
- Received OMB approval as an Executive Agent for an e-Waste Disposal on March 19, 2004;
- Received 45 proposals on April 19, 2004;
- Awarded 7 contracts on December 15, 2004;
- After resolution of several procurement related protests, the first orders were issued May, 2005;
- Began on-site audits of READ contracts.

On-Site Audit of Hesstech, Inc.



- Properly stack and wrap collected items for transportation.
- Test all items for potential re-use before sending to recycle area.

Hesstech Audit (cont.)



READ Services: The Next Steps

- Coordinate efforts with EPA's Federal Electronics Challenge (FEC);
- Complete on-site audits of selected contractors and subcontractors.
- Compete each Customer Agency's Task Order;
- Provide Contract Administration and Task Order Placement Support;
- Monitor and track customer satisfaction and contractor past performance;
- Additional Info. @ www.epa.gov/oam/read or contact voss.oliver@epa.gov @ 202-564-4514, or fuller.david@epa.gov @ 564-4767.